

GRAHAM COUNTY, KANSAS
Hill City, Kansas
Audit Report
January 1, 2009 to December 31, 2009

MAPES & MILLER
Certified Public Accountants

GRAHAM COUNTY, KANSAS
Financial Statements
January 1, 2009 to December 31, 2009

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MAPES & MILLER
CERTIFIED PUBLIC ACCOUNTANTS
A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

JOHN D. MAPES, CPA
DENIS W. MILLER, CPA
THOMAS B. CARPENTER, CPA
DON E. TILTON, CPA

418 E HOLME
NORTON, KS 67654
(785) 877-5833

P.O. BOX 266
711 3RD STREET
PHILLIPSBURG, KS 67661
(785) 543-6561

P.O. BOX 508
503 MAIN STREET
STOCKTON, KS 67669
(785) 425-6764

P.O. BOX 412
230 MAIN STREET
QUINTER, KS 67752
(785) 754-2111

110 N MAIN STREET
WAKEENEY, KS 67672
(785) 743-5512

306 N POMEROY
HILL CITY, KS 67642
(785) 421-2163

INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Graham County
Hill City, Kansas 67642

We have audited the accompanying financial statements of Graham County, Hill City, Kansas, as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements of the County's primary government, as listed in the table of contents. These financial statements are the responsibility of Graham County, Hill City, Kansas' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the guidance in the Kansas Municipal Audit Guide. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements do not include financial data for all of the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The effect on the financial statements of the omission of the component unit, although not reasonably determinable, is presumed to be material.

As described more fully in Note 1, the County has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, is presumed to be material.

In our opinion, because of the omission of the discretely presented component unit, as discussed above, and because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County as of December 31, 2009, or the changes in financial position thereof for the year then ended.

To the Board of County Commissioners
Graham County
Page Two

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Primary Government of Graham County, Hill City, Kansas, as of December 31, 2009, and its cash receipts and expenditures, and budgetary comparisons for the year then ended, taken as a whole, on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the governing body and management of Graham County, Hill City, Kansas, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, and other federal and state agencies to whose jurisdiction the County is subject, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which upon acceptance by the County Commissioners, is a matter of public record.

Mapes & Miller

Certified Public Accountants

October 26, 2010

GRAHAM COUNTY, KANSAS

Summary of Cash Receipts, Expenditures and Unencumbered Cash

For the Year Ended December 31, 2009

STATEMENT 1
Page 1

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:						
General Fund	\$ 1,261,003	1,011,925	1,261,155	1,011,773	125,630	1,137,403
Special Revenue Funds						
Road and Bridge Fund	349,121	2,349,815	1,879,738	819,198	49,637	868,835
Fair Fund	385	56,141	54,215	2,311	0	2,311
Home for the Aged Maintenance Fund	206	169,977	164,415	5,768	0	5,768
Conservation District Fund	207	25,873	25,000	1,080	0	1,080
County Library Fund	909	102,199	98,700	4,408	0	4,408
Election Fund	16,674	44,398	24,087	36,985	0	36,985
Extension Council Fund	970	105,146	101,600	4,516	0	4,516
Community College Fund	0	24	0	24	0	24
Appraiser's Cost Fund	6,792	154,639	145,400	16,031	283	16,314
Noxious Weed Fund	0	157,935	155,072	2,863	885	3,748
Noxious Weed Capital Outlay Fund	48,406	12,368	38,024	22,750	0	22,750
Community Involvement Center Fund	76	17,170	16,500	746	0	746
Fire Fund	74,498	113,565	88,720	99,343	574	99,917
Employee Benefits Fund	191,984	1,086,355	1,004,205	274,134	348	274,482
County Health Fund	27,403	148,196	144,856	30,743	538	31,281
Special Alcohol Programs Fund	13,438	6,620	2,965	17,093	0	17,093
Special Parks and Recreation Fund	1,565	500	0	2,065	0	2,065
911 Communications Fund	45,215	13,924	29,867	29,272	0	29,272
Wireless E-911 Fund	14,241	6,897	3,575	17,563	0	17,563
County Hospital Fund	4,545	437,290	422,309	19,526	0	19,526
Mental Health Fund	0	10,391	10,391	0	0	0
Mental Retardation Fund	0	46,552	46,552	0	0	0
Antelope Lake Trust Fund	7,571	0	1,165	6,406	0	6,406
Fire Equipment Fund	130,949	30,789	44,197	117,541	0	117,541
County Health Capital Outlay Fund	25,666	0	6,471	19,195	0	19,195

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

Summary of Cash Receipts, Expenditures and Unencumbered Cash

For the Year Ended December 31, 2009

STATEMENT 1
Page 2

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Special Machinery and Equipment Fund	231,667	264,000	108,172	387,495	0	387,495
Equipment Reserve Fund	166,381	91,867	27,541	230,707	0	230,707
Sheriff Seatbelt Grant Fund	907	1,601	2,136	372	0	372
Special Auto Licenses Fund	39,294	32,787	18,330	53,751	0	53,751
County Attorney Check Trust Fund	2,995	240	0	3,235	0	3,235
Prosecutor's Training Assistance Fund	186	310	325	171	0	171
Register of Deeds Technology Fund	13,107	9,590	15,970	6,727	5,452	12,179
E-911 Grant Fund	(815)	52,039	52,343	(1,119)	0	(1,119)
Fire Truck Grant Fund	(8)	8	0	0	0	0
Emergency Preparedness Grant Fund	0	4,556	199	4,357	0	4,357
Antelope Lake Grant Fund	0	25,920	33,996	(8,076)	0	(8,076)
FEMA Fire Grant Fund	(448)	12,493	11,852	193	0	193
Ambulance Grant Fund	0	0	25	(25)	0	(25)
Sheriff Firearm Permit Fund	120	80	0	200	0	200
Sheriff Offender Registration Fund	760	580	0	1,340	0	1,340
Debt Service Fund						
Hospital Bond Debt Service Fund	17,300	199,967	191,585	25,682	0	25,682
Hospital No Fund Warrants Fund	0	150,000	150,000	0	0	0
Proprietary Type Funds:						
Enterprise Funds:						
Landfill Fund	0	153,258	129,262	23,996	596	24,592
EMS (Ambulance) Fund	87,305	113,653	161,850	39,108	1,352	40,460
Ambulance Equipment Fund	77,035	27,924	2,091	102,868	0	102,868
Fiduciary Type Funds:						
Private Purpose Trust Fund:						
Graham County Micro Loan Fund	13,048	9,116	197	21,967	0	21,967
Total Primary Government	2,870,658	7,258,678	6,675,053	3,454,283	185,295	3,639,578

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

Summary of Cash Receipts, Expenditures and Unencumbered Cash

For the Year Ended December 31, 2009

STATEMENT 1
Page 3

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add	
					Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Component Units:						
Graham County Extension Council	\$ 74,066	146,951	145,125	75,892	0	75,892
Graham County Fair Board	15,785	163,031	164,460	14,356	0	14,356
Graham County Public Library:						
General Fund	215,531	116,815	111,364	220,982	0	220,982
State Aid Fund	0	1,613	1,613	0	0	0
Memorials Fund	99,755	1,103	0	100,858	0	100,858
Total Graham County Library	315,286	119,531	112,977	321,840	0	321,840
Total Component Units	405,137	429,513	422,562	412,088	0	412,088
Total Reporting Entity (Excluding Agency Funds)	\$ 3,275,795	7,688,191	7,097,615	3,866,371	185,295	4,051,666

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
Composition of Cash
For the Year Ended December 31, 2009

STATEMENT 1
Page 4

Primary Government:

Cash on Hand

Treasurer

\$ 100

Sheriff

300

First State Bank - Hill City, Kansas

Checking Accounts

1,769

NOW Accounts

3,614,353

Certificates of Deposit

100,000

Citizens State Bank - Hill City, Kansas

Money Market Accounts

2,784

Certificates of Deposit

400,000

Farmers and Merchants Bank - Hill City, Kansas

Checking Accounts

49

NOW Account

4,495,861

Savings Accounts

21,918

Certificates of Deposit

166,000

Total Cash and Investments

8,803,134

Less Agency Funds - Statement 4

(5,163,556)

Total Primary Government

3,639,578

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
Composition of Cash
For the Year Ended December 31, 2009

STATEMENT 1
Page 5

Component Units:

Graham County Extension Council

First State Bank - Hill City, Kansas
Checking Account

\$ 75,792

Farmers and Merchants Bank - Hill City, Kansas
Checking Account

100

Graham County Fair Association

Farmers and Merchants Bank - Hill City, Kansas
Certificates of Deposit

978

Citizens State Bank - Hill City, Kansas

Checking Accounts

1,451

Savings Account

5,056

Certificates of Deposit

6,871

Graham County Public Library

First State Bank - Hill City, Kansas

NOW Accounts

53,091

Certificates of Deposit

66,306

Citizens State Bank - Hill City, Kansas

Certificates of Deposit

129,208

Farmers and Merchants Bank - Hill City, Kansas

Certificates of Deposit

73,085

Cash on Hand

150

Total Component Units

412,088

Total Reporting Entity per Statement 1, Page 3

\$ 4,051,666

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

Summary of Expenditures - Actual and Budget
For the Year Ended December 31, 2009

STATEMENT 2
Page 1

Description	Certified Budget	Adjustment for		Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
		Credited	Qualifying Budget Credits			
Governmental Type Funds:						
General Fund	\$ 1,847,195		0	1,847,195	1,261,155	(586,040)
Special Revenue Funds						
Road and Bridge Fund	1,964,852		321,646	2,286,498	1,879,738	(406,760)
Fair Fund	54,215		0	54,215	54,215	0
Home for the Aged Maintenance Fund	164,415		0	164,415	164,415	0
Conservation District Fund	25,000		0	25,000	25,000	0
County Library Fund	98,700		0	98,700	98,700	0
Election Fund	45,307		0	45,307	24,087	(21,220)
Extension Council Fund	101,600		0	101,600	101,600	0
Community College Fund	0		0	0	0	0
Appraiser's Cost Fund	145,400		0	145,400	145,400	0
Noxious Weed Fund	155,072		0	155,072	155,072	0
Noxious Weed Capital Outlay Fund	38,024		0	38,024	38,024	0
Community Involvement Center Fund	16,500		0	16,500	16,500	0
Fire Fund	113,455		0	113,455	88,720	(24,735)
Employee Benefits Fund	1,076,000		0	1,076,000	1,004,205	(71,795)
County Health Fund	168,100		0	168,100	144,856	(23,244)
Special Alcohol Programs Fund	10,368		0	10,368	2,965	(7,403)

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

Summary of Expenditures - Actual and Budget

For the Year Ended December 31, 2009

STATEMENT 2

Page 2

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Special Revenue Funds					
Special Parks and Recreation Fund	\$ 1,233	0	1,233	0	(1,233)
911 Communications Fund	42,431	0	42,431	29,867	(12,564)
Wireless E-911 Fund	10,887	0	10,887	3,575	(7,312)
County Hospital Fund	422,309	0	422,309	422,309	0
Mental Health Fund	10,000	0	10,000	10,391	*
Mental Retardation Fund	45,000	0	45,000	46,552	*
Antelope Lake Trust Fund	4,423	0	4,423	1,165	*
Debt Services Fund					
Hospital Bond Debt Service Fund	207,585	0	207,585	191,585	(16,000)
Proprietary Type Funds:					
Enterprise Funds					
Landfill Fund	143,984	0	143,984	129,262	(14,722)
EMS (Ambulance) Fund	161,850	0	161,850	161,850	0

* Exempt from Budget Law

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

STATEMENT 3

GENERAL FUND

Page 1

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2009

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 678,296	660,874	17,422
Delinquent Tax	10,230	4,050	6,180
Motor Vehicle Tax	33,353	31,772	1,581
Recreational Vehicle Tax	1,016	828	188
16/20M Vehicle Tax	6,813	3,981	2,832
LAVTR	0	12,000	(12,000)
Intangible Tax	13,498	5,000	8,498
Intergovernmental			
Local Alcoholic Liquor Tax	0	50	(50)
Mineral Production Tax	66,391	59,000	7,391
District Coroner	0	350	(350)
Licenses, Fees and Permits			
Mortgage Registration Fees	23,371	12,000	11,371
County Officer Fees	24,529	35,000	(10,471)
Sheriff VIN Fees	2,988	3,400	(412)
CMB Fees	0	300	(300)
Other Permits and Fees	590	45	545
Charges for Services			
Dispatching Services	27,192	26,400	792
Jail Care	27,720	0	27,720
Copies and Other Charges	3,428	2,500	928
Miscellaneous	38,177	0	38,177
Interest on Idle Funds	22,335	35,000	(12,665)
Penalties and Interest	26,954	15,000	11,954
Diversion Agreement Reimbursement	2,436	0	2,436
Reimbursed Expenses	2,608	0	2,608
Total Cash Receipts	1,011,925	907,550	104,375

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

GENERAL FUND

STATEMENT 3

Page 2

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	Actual	Budget	Variance Over (Under)
Expenditures:			
County Commissioners	\$ 46,179	50,500	(4,321)
County Clerk	66,785	74,235	(7,450)
County Treasurer	78,601	82,878	(4,277)
County Attorney	76,153	75,000	1,153
Register of Deeds	84,157	85,427	(1,270)
Sheriff	336,417	339,220	(2,803)
Unified Court - Operating	16,693	24,000	(7,307)
Unified Court - Attorney Fees	20,036	19,200	836
Courthouse General	233,987	385,000	(151,013)
Janitorial	49,127	56,000	(6,873)
Data Processing	80,250	55,000	25,250
Juvenile Detention	2,620	9,000	(6,380)
Northwest Kansas Area Agency on Aging	2,500	2,500	0
Historical Society	0	2,500	(2,500)
Nursing Home Appropriation	25,000	0	25,000
Nursing Home Expense	85,886	0	85,886
Emergency Preparedness	0	5,000	(5,000)
Transfer to Equipment Reserve Fund	56,764	581,735	(524,971)
Total Expenditures	1,261,155	1,847,195	(586,040)
Cash Receipts Over (Under) Expenditures	(249,230)		
Unencumbered Cash, Beginning	1,261,003		
Unencumbered Cash, Ending	\$ 1,011,773		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

ROAD AND BRIDGE FUND

STATEMENT 3

Page 3

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2009

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 1,643,947	1,601,701	42,246
Delinquent Tax	19,162	3,478	15,684
Motor Vehicle Tax	57,866	55,228	2,638
Recreational Vehicle Tax	1,766	1,440	326
16/20M Vehicle Tax	7,528	6,916	612
Intergovernmental			
Special City/County Highway	225,628	266,936	(41,308)
Special Equalization	0	5,000	(5,000)
FEMA Federal Aid	284,417	0	284,417
FEMA State Aid	37,229	0	37,229
Miscellaneous	72,272	0	72,272
Total Cash Receipts	<u>2,349,815</u>	<u>1,940,699</u>	<u>409,116</u>
Expenditures:			
Personal Services	762,762	723,467	39,295
Commodities	664,848	828,732	(163,884)
Contractual Services	92,002	104,530	(12,528)
Capital Outlay	26,750	0	26,750
Lease Payments	69,376	308,123	(238,747)
Transfer to Special Machinery and Equipment Fund	264,000	0	264,000
Adjustment for Qualifying Budget Credits			
FEMA Federal Aid	0	284,417	(284,417)
FEMA State Aid	0	37,229	(37,229)
Total Budget Credits	<u>0</u>	<u>321,646</u>	<u>(321,646)</u>
Total Expenditures	<u>1,879,738</u>	<u>2,286,498</u>	<u>(406,760)</u>
Cash Receipts Over (Under) Expenditures	470,077		
Unencumbered Cash, Beginning	<u>349,121</u>		
Unencumbered Cash, Ending	<u>\$ 819,198</u>		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

FAIR FUND

STATEMENT 3

Page 4

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 52,975	51,573	1,402
Delinquent Tax	679	266	413
Motor Vehicle Tax	2,162	2,064	98
Recreational Vehicle Tax	66	54	12
16/20M Vehicle Tax	259	258	1
Total Cash Receipts	56,141	54,215	1,926
Expenditures:			
Appropriations	54,215	54,215	0
Cash Receipts Over (Under) Expenditures	1,926		
Unencumbered Cash, Beginning	385		
Unencumbered Cash, Ending	\$ 2,311		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
HOME FOR THE AGED MAINTENANCE FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

STATEMENT 3
Page 5

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 167,585	163,202	4,383
Delinquent Tax	1,243	119	1,124
Motor Vehicle Tax	997	950	47
Recreational Vehicle Tax	30	25	5
16/20M Vehicle Tax	122	119	3
Total Cash Receipts	<u>169,977</u>	<u>164,415</u>	<u>5,562</u>
Expenditures:			
Appropriations	<u>164,415</u>	<u>164,415</u>	<u>0</u>
Cash Receipts Over (Under) Expenditures	5,562		
Unencumbered Cash, Beginning	<u>206</u>		
Unencumbered Cash, Ending	<u>\$ 5,768</u>		

The notes to the financial statements are an integral part of this statement.

**GRAHAM COUNTY, KANSAS
CONSERVATION DISTRICT FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

STATEMENT 3
Page 6

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 24,418	23,791	627
Delinquent Tax	311	112	199
Motor Vehicle Tax	999	953	46
Recreational Vehicle Tax	31	25	6
16/20M Vehicle Tax	114	119	(5)
Total Cash Receipts	<u>25,873</u>	<u>25,000</u>	<u>873</u>
Expenditures:			
Appropriations	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Cash Receipts Over (Under) Expenditures	873		
Unencumbered Cash, Beginning	<u>207</u>		
Unencumbered Cash, Ending	<u>\$ 1,080</u>		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

COUNTY LIBRARY FUND

STATEMENT 3

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Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 96,501	94,020	2,481
Delinquent Tax	1,252	495	757
Motor Vehicle Tax	3,810	3,635	175
Recreational Vehicle Tax	116	95	21
16/20M Vehicle Tax	520	455	65
Total Cash Receipts	<u>102,199</u>	<u>98,700</u>	<u>3,499</u>
Expenditures:			
Appropriations	<u>98,700</u>	<u>98,700</u>	<u>0</u>
Cash Receipts Over (Under) Expenditures	<u>3,499</u>		
Unencumbered Cash, Beginning	<u>909</u>		
Unencumbered Cash, Ending	<u>\$ 4,408</u>		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

ELECTION FUND

STATEMENT 3

Page 8

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 42,771	41,607	1,164
Delinquent Tax	447	79	368
Motor Vehicle Tax	1,038	992	46
Recreational Vehicle Tax	32	26	6
16/20M Vehicle Tax	71	124	(53)
Miscellaneous	39	0	39
Total Cash Receipts	<u>44,398</u>	<u>42,828</u>	<u>1,570</u>
Expenditures:			
Personal Services	16,452	16,665	(213)
Commodities	0	10,500	(10,500)
Contractual Services	7,635	17,742	(10,107)
Capital Outlay	0	400	(400)
Total Expenditures	<u>24,087</u>	<u>45,307</u>	<u>(21,220)</u>
Cash Receipts Over (Under) Expenditures	<u>20,311</u>		
Unencumbered Cash, Beginning	<u>16,674</u>		
Unencumbered Cash, Ending	<u>\$ 36,985</u>		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
EXTENSION COUNCIL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

STATEMENT 3
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	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 99,468	96,895	2,573
Delinquent Tax	1,243	495	748
Motor Vehicle Tax	3,833	3,657	176
Recreational Vehicle Tax	117	95	22
16/20M Vehicle Tax	485	458	27
	<u>105,146</u>	<u>101,600</u>	<u>3,546</u>
Expenditures:			
Appropriations	<u>101,600</u>	<u>101,600</u>	<u>0</u>
Cash Receipts Over (Under) Expenditures	3,546		
Unencumbered Cash, Beginning	<u>970</u>		
Unencumbered Cash, Ending	<u>\$ 4,516</u>		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

COMMUNITY COLLEGE FUND

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2009

STATEMENT 3

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	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Delinquent Tax	\$ 23	0	23
Motor Vehicle Tax	0	0	0
Recreational Vehicle Tax	0	0	0
16/20M Vehicle Tax	1	0	1
Total Cash Receipts	24	0	24
Expenditures	0	0	0
Cash Receipts Over (Under) Expenditures	24		
Unencumbered Cash, Beginning	0		
Unencumbered Cash, Ending	\$ 24		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

STATEMENT 3

APPRAISER'S COST FUND

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Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 141,755	138,103	3,652
Delinquent Tax	1,687	459	1,228
Motor Vehicle Tax	4,958	4,731	227
Recreational Vehicle Tax	151	123	28
16/20M Vehicle Tax	622	592	30
Miscellaneous	5,466	0	5,466
Total Cash Receipts	154,639	144,008	10,631
Expenditures:			
Personal Services	101,608	107,500	(5,892)
Commodities	11,478	13,400	(1,922)
Contractual Services	10,805	22,100	(11,295)
Capital Outlay	11,882	2,400	9,482
Transfer to Equipment Reserve Fund	9,627	0	9,627
Total Expenditures	145,400	145,400	0
Cash Receipts Over (Under) Expenditures	9,239		
Unencumbered Cash, Beginning	6,792		
Unencumbered Cash, Ending	\$ 16,031		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

NOXIOUS WEED FUND

STATEMENT 3

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Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 104,023	101,283	2,740
Delinquent Tax	1,256	405	851
Motor Vehicle Tax	3,580	3,416	164
Recreational Vehicle Tax	109	89	20
1/6/20M Vehicle Tax	487	428	59
Charges for Services	48,480	49,451	(971)
Total Cash Receipts	<u>157,935</u>	<u>155,072</u>	<u>2,863</u>
Expenditures:			
Personal Services	52,304	52,814	(510)
Commodities	74,337	86,258	(11,921)
Contractual Services	16,063	16,000	63
Transfer to Noxious Weed Capital Outlay Fund	12,368	0	12,368
Total Expenditures	<u>155,072</u>	<u>155,072</u>	<u>0</u>
Cash Receipts Over (Under) Expenditures	2,863		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 2,863</u>		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
NOXIOUS WEED CAPITAL OUTLAY FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

STATEMENT 3
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	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts:			
Transfer from Noxious Weed Fund	\$ 12,368	0	12,368
Expenditures:			
Capital Outlay	38,024	38,024	0
Cash Receipts Over (Under) Expenditures	(25,656)		
Unencumbered Cash, Beginning	48,406		
Unencumbered Cash, Ending	\$ 22,750		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
COMMUNITY INVOLVEMENT CENTER FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

STATEMENT 3
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	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 16,279	15,812	467
Delinquent Tax	191	33	158
Motor Vehicle Tax	597	569	28
Recreational Vehicle Tax	18	15	3
16/20M Vehicle Tax	85	71	14
Total Cash Receipts	<u>17,170</u>	<u>16,500</u>	<u>670</u>
Expenditures:			
Appropriations	<u>16,500</u>	<u>16,500</u>	<u>0</u>
Cash Receipts Over (Under) Expenditures	670		
Unencumbered Cash, Beginning	<u>76</u>		
Unencumbered Cash, Ending	<u>\$ 746</u>		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
FIRE FUND

STATEMENT 3
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Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 108,036	108,675	(639)
Delinquent Tax	1,171	900	271
Motor Vehicle Tax	2,907	2,834	73
Recreational Vehicle Tax	90	63	27
16/20M Vehicle Tax	649	558	91
LAVTR	0	425	(425)
Miscellaneous	712	0	712
Total Cash Receipts	<u>113,565</u>	<u>113,455</u>	<u>110</u>
Expenditures:			
Personal Services	25,367	28,000	(2,633)
Commodities	6,031	13,500	(7,469)
Contractual Services	24,359	46,250	(21,891)
Capital Outlay	2,174	20,000	(17,826)
Transfer to Fire Equipment Fund	30,789	5,705	25,084
Total Expenditures	<u>88,720</u>	<u>113,455</u>	<u>(24,735)</u>
Cash Receipts Over (Under) Expenditures	24,845		
Unencumbered Cash, Beginning	<u>74,498</u>		
Unencumbered Cash, Ending	<u>\$ 99,343</u>		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

EMPLOYEE BENEFITS FUND

STATEMENT 3

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Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 1,027,262	1,000,839	26,423
Delinquent Tax	11,844	2,295	9,549
Motor Vehicle Tax	35,728	34,123	1,605
Recreational Vehicle Tax	1,091	890	201
16/20M Vehicle Tax	3,702	4,273	(571)
Miscellaneous	6,728	0	6,728
Total Cash Receipts	<u>1,086,355</u>	<u>1,042,420</u>	<u>43,935</u>
Expenditures:			
Social Security	129,960	132,000	(2,040)
Health Insurance	706,676	770,000	(63,324)
Life Insurance	3,777	6,000	(2,223)
Workman's Compensation	73,475	69,000	4,475
Unemployment	1,414	2,000	(586)
Retirement	88,903	96,000	(7,097)
Miscellaneous	0	1,000	(1,000)
Total Expenditures	<u>1,004,205</u>	<u>1,076,000</u>	<u>(71,795)</u>
Cash Receipts Over (Under) Expenditures	82,150		
Unencumbered Cash, Beginning	<u>191,984</u>		
Unencumbered Cash, Ending	<u>\$ 274,134</u>		

The notes to the financial statements are an integral part of this statement.

**GRAHAM COUNTY, KANSAS
COUNTY HEALTH FUND**

STATEMENT 3
Page 17

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 43,318	42,183	1,135
Delinquent Tax	560	133	427
Motor Vehicle Tax	1,772	1,691	81
Recreational Vehicle Tax	54	44	10
16/20M Vehicle Tax	240	212	28
Grants and Donations			
WIC	11,172	1,000	10,172
State Formula	7,000	7,000	0
M and I	6,043	6,500	(457)
Other Grants and Donations	23,944	5,500	18,444
Charges for Services	53,865	57,500	(3,635)
Miscellaneous	228	26,000	(25,772)
Total Cash Receipts	<u>148,196</u>	<u>147,763</u>	<u>433</u>
Expenditures:			
Personal Services	91,454	95,000	(3,546)
Commodities	33,546	52,100	(18,554)
Contractual Services	16,548	21,000	(4,452)
Capital Outlay	3,308	0	3,308
Total Expenditures	<u>144,856</u>	<u>168,100</u>	<u>(23,244)</u>
Cash Receipts Over (Under) Expenditures	3,340		
Unencumbered Cash, Beginning	<u>27,403</u>		
Unencumbered Cash, Ending	<u>\$ 30,743</u>		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
SPECIAL ALCOHOL PROGRAMS FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

STATEMENT 3
Page 18

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts:			
Intergovernmental			
Local Alcoholic Liquor Tax	\$ 6,620	3,600	3,020
Expenditures:			
Contractual Services	2,965	10,368	(7,403)
Cash Receipts Over (Under) Expenditures	3,655		
Unencumbered Cash, Beginning	13,438		
Unencumbered Cash, Ending	\$ 17,093		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
SPECIAL PARKS AND RECREATION FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

STATEMENT 3
 Page 19

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Intergovernmental			
Local Alcoholic Liquor Tax	\$ 500	600	(100)
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Contractual Services	0	1,233	(1,233)
	<u> </u>	<u> </u>	<u> </u>
Cash Receipts Over (Under) Expenditures	500		
Unencumbered Cash, Beginning	<u>1,565</u>		
Unencumbered Cash, Ending	\$ <u>2,065</u>		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
911 COMMUNICATIONS FUND

STATEMENT 3
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Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
911 Tax	\$ 13,924	20,000	(6,076)
Expenditures:			
Commodities	0	5,000	(5,000)
Contractual Services	5,344	20,431	(15,087)
Capital Outlay	24,523	17,000	7,523
Total Expenditures	29,867	42,431	(12,564)
Cash Receipts Over (Under) Expenditures	(15,943)		
Unencumbered Cash, Beginning	45,215		
Unencumbered Cash, Ending	\$ 29,272		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

WIRELESS E-911 FUND

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2009

STATEMENT 3

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	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts:			
E-911 Tax	\$ 6,897	6,000	897
Expenditures:			
Capital Outlay	3,575	10,887	(7,312)
Cash Receipts Over (Under) Expenditures	3,322		
Unencumbered Cash, Beginning	14,241		
Unencumbered Cash, Ending	\$ 17,563		

The notes to the financial statements are an integral part of this statement.

**GRAHAM COUNTY, KANSAS
COUNTY HOSPITAL FUND**

STATEMENT 3
Page 22

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 415,887	405,134	10,753
Delinquent Tax	4,804	1,443	3,361
Motor Vehicle Tax	14,217	13,665	552
Recreational Vehicle Tax	434	356	78
16/20M Vehicle Tax	1,948	1,711	237
Total Cash Receipts	<u>437,290</u>	<u>422,309</u>	<u>14,981</u>
Expenditures:			
Appropriations	<u>422,309</u>	<u>422,309</u>	<u>0</u>
Cash Receipts Over (Under) Expenditures	14,981		
Unencumbered Cash, Beginning	<u>4,545</u>		
Unencumbered Cash, Ending	<u>\$ 19,526</u>		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

MENTAL HEALTH FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

STATEMENT 3

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	Actual	*Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 9,795	9,504	291
Delinquent Tax	128	58	70
Motor Vehicle Tax	400	380	20
Recreational Vehicle Tax	12	10	2
16/20M Vehicle Tax	56	48	8
Total Cash Receipts	10,391	10,000	391
Expenditures:			
Appropriations	10,391	10,000	391
Cash Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Unencumbered Cash, Ending	\$ 0		

*Exempt from Budget Law per K.S.A. 19-4007.

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
MENTAL RETARDATION FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

STATEMENT 3
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	<u>Actual</u>	<u>*Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 43,940	42,761	1,179
Delinquent Tax	579	329	250
Motor Vehicle Tax	1,739	1,659	80
Recreational Vehicle Tax	53	43	10
16/20M Vehicle Tax	241	208	33
Total Cash Receipts	<u>46,552</u>	<u>45,000</u>	<u>1,552</u>
Expenditures:			
Appropriations	<u>46,552</u>	<u>45,000</u>	<u>1,552</u>
Cash Receipts Over (Under) Expenditures	<u>0</u>		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>		

*Exempt from Budget Law per K.S.A. 19-4007.

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
ANTELOPE LAKE TRUST FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

STATEMENT 3
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	Actual	*Budget	Variance Over (Under)
Cash Receipts	\$ <u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Contractual Services	<u>1,165</u>	<u>4,423</u>	<u>(3,258)</u>
Cash Receipts Over (Under) Expenditures	(1,165)		
Unencumbered Cash, Beginning	<u>7,571</u>		
Unencumbered Cash, Ending	\$ <u>6,406</u>		

*Exempt from Budget Law per K.S.A. 12-16,111.

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
Nonbudgeted Funds
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009

STATEMENT 3
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Fire Equipment Fund

	<u>Actual</u>
Cash Receipts:	
Transfer from Fire Fund	\$ <u>30,789</u>
Expenditures:	
Capital Outlay	<u>44,197</u>
Cash Receipts Over (Under) Expenditures	(13,408)
Unencumbered Cash, Beginning	<u>130,949</u>
Unencumbered Cash, Ending	\$ <u><u>117,541</u></u>

County Health Capital Outlay Fund

Cash Receipts	\$ <u>0</u>
Expenditures:	
Capital Outlay	<u>6,471</u>
Cash Receipts Over (Under) Expenditures	(6,471)
Unencumbered Cash, Beginning	<u>25,666</u>
Unencumbered Cash, Ending	\$ <u><u>19,195</u></u>

Special Machinery and Equipment Fund

Cash Receipts:	
Transfer from Road and Bridge Fund	\$ <u>264,000</u>
Expenditures:	
Capital Outlay	<u>108,172</u>
Cash Receipts Over (Under) Expenditures	155,828
Unencumbered Cash, Beginning	<u>231,667</u>
Unencumbered Cash, Ending	\$ <u><u>387,495</u></u>

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
Nonbudgeted Funds
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009

STATEMENT 3
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<u>Equipment Reserve Fund</u>	<u>Actual</u>
Cash Receipts:	
Transfer from Appraiser's Cost Fund	\$ 9,627
Transfer from Landfill Fund	25,476
Transfer from General Fund	56,764
	<hr/>
Total Cash Receipts	91,867
	<hr/>
Expenditures:	
Commodities	209
Capital Outlay	27,332
	<hr/>
Total Expenditures	27,541
	<hr/>
Cash Receipts Over (Under) Expenditures	64,326
Unencumbered Cash, Beginning	166,381
	<hr/>
Unencumbered Cash, Ending	\$ 230,707
	<hr/>
 <u>Sheriff Seatbelt Grant Fund</u>	
Cash Receipts:	
Fees	\$ 1,601
	<hr/>
Expenditures:	
Commodities	2,136
	<hr/>
Cash Receipts Over (Under) Expenditures	(535)
Unencumbered Cash, Beginning	907
	<hr/>
Unencumbered Cash, Ending	\$ 372
	<hr/>
 <u>Special Auto Licenses Fund</u>	
Cash Receipts:	
Fees	\$ 32,787
	<hr/>
Expenditures:	
Commodities	4,502
Contractual Services	7,828
Capital Outlay	6,000
	<hr/>
Total Expenditures	18,330
	<hr/>
Cash Receipts Over (Under) Expenditures	14,457
Unencumbered Cash, Beginning	39,294
	<hr/>
Unencumbered Cash, Ending	\$ 53,751
	<hr/>

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
Nonbudgeted Funds
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009

STATEMENT 3
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County Attorney Check Trust Fund

	<u>Actual</u>
Cash Receipts:	
Fees	\$ 240
	<u>0</u>
Expenditures	
	240
Cash Receipts Over (Under) Expenditures	2,995
Unencumbered Cash, Beginning	
	<u>\$ 3,235</u>
Unencumbered Cash, Ending	

Prosecutor's Training Assistance Fund

Cash Receipts:	
Fees	\$ 310
Expenditures:	
Contractual Services	<u>325</u>
	(15)
Cash Receipts Over (Under) Expenditures	186
Unencumbered Cash, Beginning	
	<u>\$ 171</u>
Unencumbered Cash, Ending	

Register of Deeds Technology Fund

Cash Receipts:	
Fees	\$ 9,590
Expenditures:	
Commodities	563
Contractual Services	13,473
Capital Outlay	<u>1,934</u>
	15,970
Total Expenditures	
	(6,380)
Cash Receipts Over (Under) Expenditures	13,107
Unencumbered Cash, Beginning	
	<u>\$ 6,727</u>
Unencumbered Cash, Ending	

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
Nonbudgeted Funds
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009

STATEMENT 3
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<u>E-911 Grant Fund</u>	<u>Actual</u>
Cash Receipts:	
Grants - State Aid	\$ <u>52,039</u>
Expenditures:	
Grant Disbursements	<u>52,343</u>
Cash Receipts Over (Under) Expenditures	(304)
Unencumbered Cash, Beginning	<u>(815)</u>
Unencumbered Cash, Ending	\$ <u><u>(1,119)</u></u>

<u>Fire Truck Grant Fund</u>	
Cash Receipts:	
Miscellaneous	\$ <u>8</u>
Expenditures:	
Grant Disbursements	<u>0</u>
Cash Receipts Over (Under) Expenditures	8
Unencumbered Cash, Beginning	<u>(8)</u>
Unencumbered Cash, Ending	\$ <u><u>0</u></u>

<u>Emergency Preparedness Grant Fund</u>	
Cash Receipts:	
Grants - Federal Aid	\$ <u>4,556</u>
Expenditures:	
Grant Disbursements	<u>199</u>
Cash Receipts Over (Under) Expenditures	4,357
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>4,357</u></u>

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
Nonbudgeted Funds
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009

STATEMENT 3
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<u>Antelope Lake Grant Fund</u>	<u>Actual</u>
Cash Receipts:	
Grants - State Aid	\$ <u>25,920</u>
Expenditures:	
Grant Disbursements	<u>33,996</u>
Cash Receipts Over (Under) Expenditures	(8,076)
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>(8,076)</u></u>

<u>FEMA Fire Grant Fund</u>	
Cash Receipts:	
Grants - State Aid	\$ <u>12,493</u>
Expenditures:	
Grant Disbursements	<u>11,852</u>
Cash Receipts Over (Under) Expenditures	641
Unencumbered Cash, Beginning	<u>(448)</u>
Unencumbered Cash, Ending	\$ <u><u>193</u></u>

<u>Ambulance Grant Fund</u>	
Cash Receipts	\$ <u>0</u>
Expenditures:	
Grant Disbursements	<u>25</u>
Cash Receipts Over (Under) Expenditures	(25)
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>(25)</u></u>

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
Nonbudgeted Funds
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009

STATEMENT 3
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Sheriff Firearm Permit Fund

	<u>Actual</u>
Cash Receipts:	
Fees	\$ <u>80</u>
	<u>0</u>
Expenditures	
	<u>80</u>
Cash Receipts Over (Under) Expenditures	<u>120</u>
Unencumbered Cash, Beginning	
	<u>\$ 200</u>
Unencumbered Cash, Ending	

Sheriff Offender Registration Fund

Cash Receipts:	
Fees	\$ <u>580</u>
	<u>0</u>
Expenditures	
	<u>580</u>
Cash Receipts Over (Under) Expenditures	<u>760</u>
Unencumbered Cash, Beginning	
	<u>\$ 1,340</u>
Unencumbered Cash, Ending	

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

Debt Service Funds

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2009

STATEMENT 3

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	Actual	Budget	Variance Over (Under)
<u>Hospital Bond Debt Service Fund</u>			
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 188,726	183,831	4,895
Delinquent Tax	2,456	1,500	956
Motor Vehicle Tax	7,491	7,147	344
Recreational Vehicle Tax	229	186	43
16/20M Vehicle Tax	1,065	895	170
Total Cash Receipts	199,967	193,559	6,408
Expenditures:			
Principal	170,000	170,000	0
Interest and Fees	21,585	21,585	0
Cash Basis Reserve	0	16,000	(16,000)
Total Expenditures	191,585	207,585	(16,000)
Cash Receipts Over (Under) Expenditures	8,382		
Unencumbered Cash, Beginning	17,300		
Unencumbered Cash, Ending	\$ 25,682		
<u>Hospital No Fund Warrants Fund</u>			
Cash Receipts:			
No Fund Warrants	\$ 150,000		
Expenditures:			
No Fund Warrants to Hospital	150,000		
Cash Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Unencumbered Cash, Ending	\$ 0		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
LANDFILL FUND

STATEMENT 3
Page 33

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 123,135	119,918	3,217
Delinquent Tax	1,232	110	1,122
Motor Vehicle Tax	3,595	3,436	159
Recreational Vehicle Tax	110	90	20
16/20M Vehicle Tax	250	430	(180)
Charges for Services	<u>24,936</u>	<u>20,000</u>	<u>4,936</u>
Total Cash Receipts	<u>153,258</u>	<u>143,984</u>	<u>9,274</u>
Expenditures:			
Personal Services	33,106	41,568	(8,462)
Commodities	32,161	33,972	(1,811)
Contractual Services	9,075	9,000	75
Capital Outlay	29,444	29,444	0
Transfer to Equipment Reserve Fund	<u>25,476</u>	<u>30,000</u>	<u>(4,524)</u>
Total Expenditures	<u>129,262</u>	<u>143,984</u>	<u>(14,722)</u>
Cash Receipts Over (Under) Expenditures	23,996		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 23,996</u>		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
EMS (AMBULANCE) FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

STATEMENT 3
Page 34

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts:			
Taxes			
Delinquent Tax	\$ 100	0	100
Motor Vehicle Tax	4	0	4
Recreational Vehicle Tax	0	0	0
16/20M Vehicle Tax	176	0	176
Charges for Services	106,053	99,213	6,840
State Aid	7,320	0	7,320
	<u>113,653</u>	<u>99,213</u>	<u>14,440</u>
Total Cash Receipts			
Expenditures:			
Personal Services	61,771	65,000	(3,229)
Commodities	17,680	13,200	4,480
Contractual Services	44,720	39,650	5,070
Capital Outlay	9,755	4,000	5,755
Transfer to Ambulance Equipment Fund	27,924	40,000	(12,076)
	<u>161,850</u>	<u>161,850</u>	<u>0</u>
Total Expenditures			
Cash Receipts Over (Under) Expenditures	(48,197)		
Unencumbered Cash, Beginning	87,305		
	<u>39,108</u>		
Unencumbered Cash, Ending	\$ 39,108		

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
AMBULANCE EQUIPMENT FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009

STATEMENT 3
Page 35

	<u>Actual</u>
Cash Receipts:	
Transfer from EMS (Ambulance) Fund	\$ <u>27,924</u>
Expenditures:	
Capital Outlay	<u>2,091</u>
Cash Receipts Over (Under) Expenditures	25,833
Unencumbered Cash, Beginning	<u>77,035</u>
Unencumbered Cash, Ending	\$ <u><u>102,868</u></u>

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
GRAHAM COUNTY MICRO LOAN FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009

STATEMENT 3
Page 36

	<u>Actual</u>
Cash Receipts:	
Interest and Fees	\$ 1,266
Loan Payments Received	<u>7,850</u>
Total Cash Receipts	<u>9,116</u>
Expenditures:	
Administration Fees	<u>197</u>
Cash Receipts Over (Under) Expenditures	8,919
Unencumbered Cash, Beginning	<u>13,048</u>
Unencumbered Cash, Ending	<u><u>\$ 21,967</u></u>

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
COMPONENT UNIT
GRAHAM COUNTY EXTENSION COUNCIL
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009

STATEMENT 3
Page 37

	<u>Actual</u>
Cash Receipts:	
County Appropriation	\$ 102,104
Educational Services	6,983
K.S.U. Salary Aid	37,752
Miscellaneous	<u>112</u>
Total Cash Receipts	<u>146,951</u>
Expenditures:	
Printing, Bond, and Audit	5,940
Telephone and Utilities	2,883
Supplies and Postage	4,944
Equipment	1,682
Travel	3,251
Subsistence	1,555
Salaries and Payroll Services	116,806
Educational Expense	6,138
Miscellaneous	<u>1,926</u>
Total Expenditures	<u>145,125</u>
Cash Receipts Over (Under) Expenditures	1,826
Unencumbered Cash, Beginning	<u>74,066</u>
Unencumbered Cash, Ending	<u>\$ 75,892</u>

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
COMPONENT UNIT
GRAHAM COUNTY FAIR BOARD

STATEMENT 3
Page 38

Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009

	<u>Actual</u>
Cash Receipts:	
County Appropriation	\$ 54,484
Gates, Rentals, and Sales	80,014
Premium Auction	20,393
Donation/Entry Fee	1,035
Interest on Idle Funds	319
Miscellaneous	128
Reimbursed Expense	6,658
	<hr/>
Total Cash Receipts	163,031
	<hr/>
Expenditures:	
Administration	5,093
Advertising	5,511
Utilities	9,511
Supplies, Repairs and Maintenance	17,550
Labor	7,034
Insurance, Bond, and Taxes	8,562
Rodeo	48,046
Premium Auction	20,393
Prize Money and Judges	10,648
Entertainment	14,507
Extension Council	1,889
Miscellaneous	15,716
	<hr/>
Total Expenditures	164,460
	<hr/>
Cash Receipts Over (Under) Expenditures	(1,429)
Unencumbered Cash, Beginning	15,785
	<hr/>
Unencumbered Cash, Ending	\$ 14,356
	<hr/>

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
 COMPONENT UNIT
 GRAHAM COUNTY PUBLIC LIBRARY
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended December 31, 2009

STATEMENT 3
 Page 39

	General	State Aid	Memorials
Cash Receipts:			
County Appropriation	\$ 99,239	0	0
Fines and Fees	4,741	0	0
Donations and Grants	3,295	0	0
Interest on Idle Funds	4,430	0	1,103
Miscellaneous	5,110	0	0
Intergovernmental Revenues	0	1,613	0
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	116,815	1,613	1,103
	<hr/>	<hr/>	<hr/>
Expenditures:			
Salaries and Wages	65,603	0	0
Employee Benefits	12,336	0	0
Books and Periodicals	10,847	1,613	0
Insurance	1,283	0	0
Postage	500	0	0
Equipment	2,062	0	0
Supplies	2,795	0	0
Utilities	9,396	0	0
Repairs	2,844	0	0
Miscellaneous	3,698	0	0
	<hr/>	<hr/>	<hr/>
Total Expenditures	111,364	1,613	0
	<hr/>	<hr/>	<hr/>
Cash Receipts Over (Under) Expenditures	5,451	0	1,103
Unencumbered Cash, Beginning	215,531	0	99,755
	<hr/>	<hr/>	<hr/>
Unencumbered Cash, Ending	\$ 220,982	0	100,858
	<hr/>	<hr/>	<hr/>

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS

STATEMENT 4

Agency Funds

Page 1

Summary of Cash Receipts and Cash Disbursements
For the Year Ended December 31, 2009

Fund	Beginning Cash Balance	Cash Receipts	Cash Disburse- ments	Ending Cash Balance
Distributable Funds:				
Current Tax	\$ 5,798,025	8,084,537	8,854,702	5,027,860
Advance Tax	113	95	0	208
Neighborhood Revitalization	0	21,070	21,070	0
Motor Vehicle Licenses	414	293,950	293,569	795
Sales Tax	5,790	102,125	104,746	3,169
Motor Vehicle Tax	1,363	318,051	272,635	46,779
Recreational Vehicle Tax	0	9,521	8,340	1,181
Delinquent Tax	18,747	15,833	26,185	8,395
Special Mineral Tax	77,632	62,101	132,781	6,952
Groundwater Management	0	15,037	15,037	0
Stray Animal	462	1,042	712	792
County Sales Tax	0	102,456	58,222	44,234
WIC (County Health)	0	30,512	30,512	0
Alcohol/Drug Testing Fee	0	1,100	1,100	0
Total Distributable Funds	5,902,546	9,057,430	9,819,611	5,140,365
State Funds:				
State General	0	4	4	0
State Education Building	0	72,679	72,679	0
Institutional Building	0	36,340	36,340	0
Total State Funds	0	109,023	109,023	0
Subdivision Funds:				
Cities	0	568,389	568,389	0
Townships	0	109,003	109,003	0
School Districts	0	3,164,001	3,164,001	0
Cemeteries	0	6,175	6,175	0
Total Subdivision Funds	0	3,847,568	3,847,568	0

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
 Agency Funds
 Summary of Cash Receipts and Cash Disbursements
For the Year Ended December 31, 2009

STATEMENT 4
 Page 2

Fund	Beginning Cash Balance	Cash Receipts	Cash Disburse- ments	Ending Cash Balance
County Officer Accounts:				
Sheriff	\$ 0	8,020	8,020	0
Register of Deeds	0	55,338	55,338	0
County Clerk	0	91,973	91,973	0
Clerk of District Court				0
Court Trust	13,172	195,353	193,325	15,200
Law Library	1,103	5,308	4,642	1,769
County Treasurer:				
Heritage Trust	529	935	816	648
Cereal Malt Beverage Stamp	25	75	100	0
Diversion Agreement	2,267	5,467	2,436	5,298
DMV Modernization	0	19,704	19,600	104
Driver's Licenses	66	6,602	6,496	172
	<hr/>	<hr/>	<hr/>	<hr/>
Total Officer Accounts	17,162	388,775	382,746	23,191
	<hr/>	<hr/>	<hr/>	<hr/>
 Total Agency Funds	 \$ 5,919,708	 13,402,796	 14,158,948	 5,163,556
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

GRAHAM COUNTY, KANSAS
Notes to the Financial Statements
December 31, 2009

1. Summary of Significant Accounting Policies

Reporting Entity

Graham County, Kansas, the primary government, operates as a County in accordance with the laws of the State of Kansas. The County operates under a commission form of government and provides the following services: public safety (sheriff), highway, sanitation (landfill), health and social services, culture and recreation, public improvements, and general administrative services.

Accounting principles generally accepted in the United States of America require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading or incomplete. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization's governing board.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that Graham County Extension Council, Graham County Fair Association, Graham County Public Library, and Graham County Hospital are component units of the County.

Financial information for Graham County Hospital has not been reported in the County's financial statements. Accordingly, these financial statements present the activities of the primary government and selected component units and are not a complete presentation in accordance with generally accepted accounting principles. The audited financial statements for Graham County Hospital can be obtained from their business office at 304 W. Prout, Hill City, Kansas.

Fund Accounting

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of the County for the year ended 2009:

Governmental Type Funds:

General Fund--To account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds--To account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to be expended for specified purposes.

Debt Service Fund--To account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt, and the financing of special assessments which are general obligations of the County.

Proprietary Type Funds:

Enterprise Funds--To account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Type Funds:

Agency Funds--To account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Reimbursements

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Inventories and Prepaid Expenses

Inventories and prepaid expenses that benefit future periods are recorded as expenditures during the year of purchase.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The County has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the County to use the statutory basis of accounting.

Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the

expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the County are not presented in the financial statements. Also long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

2. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended December 31, 2009.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds, and the following special revenue funds:

Mental Health Fund
Mental Retardation Fund
Antelope Lake Trust Fund
Fire Equipment Fund
County Health Capital Outlay Fund
Special Machinery and Equipment Fund
Equipment Reserve Fund
Sheriff Seatbelt Grant Fund
Special Auto Licenses Fund
County Attorney Check Trust Fund

Prosecutor's Training Assistance Fund
Register of Deeds Technology Fund
E-911 Grant Fund
Fire Truck Grant Fund
Emergency Preparedness Grant Fund
Antelope Lake Grant Fund
FEMA Fire Grant Fund
Ambulance Grant Fund
Sheriff Firearm Permit Fund
Sheriff Offender Registration Fund

A legal operating budget is not required for the following enterprise fund: Ambulance Equipment Fund.

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

3. Property Taxes

Property taxes are levied November 1st of the calendar year. A lien is placed on the property when the taxes are levied. The taxes are due one-half on December 20th and one-half the following May 10th. Any taxes unpaid at the due dates are considered delinquent. Collection of current year property tax by the County Treasurer is not completed, apportioned, nor distributed to the various subdivisions until the succeeding year; such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operation of the County and therefore, are not susceptible to accrual.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period, and further, the amounts thereof are not material to the financial statements taken as a whole.

4. Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the County. The statute requires banks eligible to hold the County's funds have a main or branch bank in the county in which the County is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on the funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The County has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The County has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the County may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The County has not designated any "peak periods" with eligible depositories. All deposits were legally secured at December 31, 2009.

At December 31, 2009, the County's carrying amount of deposits was \$8,802,734 and the bank balance was \$8,969,402. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$8,823,890 was covered by federal depository insurance, and \$145,512 was collateralized with securities held by the pledging financial institution's agents in the County's name.

At December 31, 2009, the Extension Council's carrying amount of deposits was \$75,892 and the bank balance was \$81,967. The bank balance was held by two banks resulting in a concentration of credit risk. The bank balance was covered by federal depository insurance.

At December 31, 2009, the Fair Association's carrying amount of deposits was \$14,356 and the bank balance was \$14,588. The bank balance was held by two banks resulting in a concentration of credit risk. The bank balance was covered by federal depository insurance.

At December 31, 2009, the Public Library's carrying amount of deposits was \$321,690 and the bank balance was \$325,996. The bank balance was held by three banks resulting in a concentration of credit risk. The bank balance was covered by federal depository insurance.

5. Compensated Absences

Graham County:

Vacation Pay

After six months of continuous service with the County, each full-time employee or appointed official earns paid vacation at the rate of one day per month for the remainder of the first year of employment. Thereafter, each full-time employee or appointed official earns vacation days according to the following schedule for calendar years of completed service.

Completed Years of Service	Vacation Hours Earned
1 - 10 Years	1 Day per Month
11 - 20 Years	1 1/2 Days per Month
Over 20 Years	20 Days per Year

Any vacation days earned but not taken during each year are converted to sick leave unless the maximum of 120 sick leave days has been accrued, upon which the unused vacation days are forfeited without compensation. Accumulated vacation time is payable at the time of termination.

Sick Leave

Full-time employees and appointed officials earn one day of sick leave for each month of continuous employment, with a total accumulation of 120 days allowed. Sick leave is paid only for time lost for personal illness, accidents, funerals, or two days per year personal leave. Upon termination, any unused sick leave is paid to employees based upon their time of service, but shall not exceed one month's salary in total reimbursement.

See Note 13 – Long-Term Debt for additional information.

Graham County Public Library:

Vacation Pay

After six months of continuous service with the Library, each full-time employee earns paid vacation at the rate of one day per month for the remainder of the first year of employment. Thereafter, each full-time employee earns vacation days according to the following schedule for calendar years of completed service.

Completed Years of Service	Vacation Hours Earned
1 - 10 Years	1 Day per Month
11 - 20 Years	1 1/2 Days per Month
Over 20 Years	20 Days per Year

Any vacation days earned but not taken during each year cannot be carried over to the next year without consent of the Board. Accumulated vacation time is payable at the time of termination.

Sick Leave

Full-time employees earn one day of sick leave for each month of continuous employment, with a total accumulation of 120 days allowed. Sick leave is paid only for time lost for personal illness, accidents, funerals, or two days per year personal leave. Upon termination, any unused sick leave is paid to employees based upon their time of service, but shall not exceed one month's salary in total reimbursement.

See Note 13 – Long-Term Debt for additional information.

Graham County Extension Council: County Extension Agents

Vacation Pay:

The agents will earn 22 working days of paid vacation for each 12 months of employment and a proportionate amount for shorter periods. A maximum of 38 working days may be accrued.

Sick Leave:

The agents may accumulate sick leave at the rate of one working day for each calendar month employed. At time of retirement, if an agent has 150 days or more of accumulated sick leave and 25 or more years of service time, additional salary will be paid for 60 working days; for 125 days of accumulated sick leave and 15 or more years of service time, additional salary will be paid for 45 working days; or for 100 days of accumulated sick leave and 8 or more years of service time, additional salary will be paid for 30 working days.

The extension agents are considered employees of Kansas State University, and any obligation for compensated absences are paid by the University.

County Extension Office Employees

Vacation Pay:

After six months of continuous service with the Extension Office, each full-time employee earns paid vacation at the rate of one day per month. No more than five days of vacation may be carried forward into the next calendar year.

Sick Leave:

Sick leave for full-time employees shall be allowed at the rate of one day for each month of continuous employment. Sick leave may be accumulated up to 120 days. Upon retirement the employee may be compensated for up to 120 days of all accrued sick leave.

There were no compensated absences payable at year-end.

6. Defined Benefit Pension Plan

Plan Description. Graham County, Kansas, and Graham County Public Library contribute to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et. seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates.. The KPERS employer rate established for calendar year 2009 was 6.54%, which includes pension contributions and group death disability insurance. The County's employer contributions to KPERS for the years ending December 31, 2009, 2008, and 2007 were \$100,574, \$73,693, and \$68,518, respectively, equal to the statutory required contributions for each year. The Library's employer contributions to KPERS for the years ending December 31, 2009, 2008, and 2007 were \$3,731, \$3,237, and \$2,770, respectively, equal to the statutory required contributions for each year.

7. Other Post Employment Benefits

As provided by K.S.A. 12-5040, the County allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the County is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the County under this program.

8. Liability for Landfill Closure and Postclosure Costs

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. In addition to current year expenditures relating to the operation of the landfill, as provided in the Landfill Fund in these financial statements, the County is incurring a liability based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste.

The estimate of closure and postclosure care liability at year-end would be \$268,565. This liability is based on the use of 43.29% percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$351,786 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2009. The County expects the landfill to continue to operate for approximately 53 years. Actual costs may be higher due to inflation, changes in technology, or in regulations. The County has not restricted any of its assets for payment of closure and postclosure care cost.

The County is meeting the financial assurance requirements through the Local Government Financial Test. This test involves four components: financial, public notice, record keeping and reporting, and calculation of costs to be assured. The County has satisfied all four requirements.

9. Interfund Transactions

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Equipment Reserve Fund	K.S.A. 19-119	\$ 56,764
Road & Bridge Fund	Special Machinery and Equipment Fund	K.S.A. 19-119	264,000
Appraiser's Cost Fund	Equipment Reserve Fund	K.S.A. 19-119	9,627
Noxious Weed Fund	Noxious Weed Capital Outlay Fund	K.S.A. 2-1318	12,368
Fire Fund	Fire Equipment Fund	K.S.A. 19-119	30,789
Landfill Fund	Equipment Reserve Fund	K.S.A. 19-119	25,476
EMS (Ambulance) Fund	Ambulance Equipment Fund	K.S.A. 12-110d	27,924

10. Revolving Loan Fund

Graham County was awarded a \$90,000 Community Development Block Grant from the Kansas Department of Commerce and Housing in 1999 for the purpose of establishing a Micro-loan Revolving Loan Fund to provide loans to businesses in Graham County for which the loan proceeds would result in the creation and/or retention of jobs. The balance of the outstanding loans as of December 31, 2009, was \$91,913.

11. Contingencies

Ambulance Project. Graham County was awarded a 2009 Kansas Small Cities Community Development Block Grant for the acquisition of a new ambulance. The estimated total project cost is \$160,652. The County's committed share for the project is \$77,925 plus approximately \$2,500 in annual operation and maintenance.

12. Compliance with Finance Related Legal and Contractual Provisions

Cash Basis Compliance

K.S.A. 10-1113 requires that no indebtedness be created for a fund in excess of available monies in that fund. The E-911 Grant Fund, Antelope Lake Grant Fund, and Ambulance Grant Fund incurred indebtedness in excess of the available cash balances by \$1,119, \$8,076, and \$25, respectively. These grants require the County to expend the monies and request reimbursement from the available awarded funds. These grants have sufficient remaining available grant award to cover their respective deficit cash balances as of December 31, 2009. The deficit cash balances will be eliminated when the grant proceeds are received subsequent to December 31, 2009. Although not specifically allowed as an exception to the cash basis law in the statutes, the State of Kansas, Division of Accounts and Reports, as a matter of practice, has allowed deficit fund balances as long as the fund is subsequently reimbursed by federal or state grant proceeds.

Reporting Compliance

K.S.A. 19-520 states that it is the duty of the county treasurer on the last business day of January, April, July, and October in each year, to publish quarterly statements showing the balances of the county funds and the amount of funds belonging to the other municipalities of the county. The County did not publish quarterly statements for 2009. This appears to be a violation of this statute.

K.S.A. 79-3107b requires the county treasurer to file quarterly heritage trust fund fee reports and remit monies to the state treasurer by the 15th day following the end of the quarter. The County did not file two quarterly reports on a timely basis. This appears to be a violation of this statute.

Special Auto License Compliance

K.S.A. 8-145 (b) requires any balance remaining in the Special Auto License Fund at the close of the calendar year to be withdrawn and credited to the general fund of the county prior to June 1 of the following calendar year. The County did not transfer the remaining balance in such fund. This appears to be a violation of this statute.

13. Long-term Debt

Changes in long-term liabilities for Graham County, Kansas, for the year ended December 31, 2009, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
Hospital Refunding Bonds	2.10% to 4.10%	06/20/03	\$ 1,400,000	09/01/11	\$ 535,000	0	170,000		365,000	21,585
No Fund Warrants:										
Hospital No Fund Warrants	5.00%	06/16/09	150,000	12/31/13	0	150,000	0		150,000	0
Capital Leases Payable:										
963 Track Loader	4.65%	07/15/06	130,000	07/15/11	81,563	0	25,946		55,617	3,497
Motor Grader (140H)	4.25%	04/25/05	120,000	04/25/10	51,020	0	24,978		26,042	2,168
Wheel Loader (950GII)	4.25%	06/13/05	100,500	06/13/10	42,720	0	20,919		21,801	1,816
Dozer (D6RXL D5)	4.40%	07/20/05	100,000	07/20/10	42,605	0	20,843		21,762	1,874
07 430 Backhoe	4.60%	07/15/07	56,000	07/15/11	42,935	0	13,673		29,262	1,975
Motor Grader (140H)	3.10%	05/01/07	140,000	05/01/11	107,338	0	34,183		73,155	4,937
Brush Truck	4.19%	04/24/08	84,308	04/24/13	84,308	0	15,507		68,801	3,532
RM 300 Reclaimer	4.25%	07/01/08	95,316	08/27/12	95,316	0	21,899		73,417	4,683
CIC Software	5.25%	09/04/09	121,433	09/04/12	0	121,433	40,000		81,433	0
Total Contractual Indebtedness					1,082,805	271,433	387,948		966,290	46,067
Compensated Absences - County					76,070			(19,335)	56,735	
Compensated Absences - Library					4,518			236	4,754	
Landfill Closure and Post Closure Care					261,922			6,643	268,565	
Total Long-Term Debt					\$ 1,425,315	271,433	387,948	(12,456)	1,296,344	46,067

Notes to the Financial Statements

Current maturities of long-term debt for Graham County, Kansas, through maturity are as follows:

	2010	2011	2012	2013	Total
Principal:					
General Obligation Bonds	\$ 180,000	185,000	0	0	365,000
No Fund Warrants	31,788	37,498	39,373	41,341	150,000
Capital Leases Payable	212,215	149,223	71,579	18,273	451,290
Total Principal	<u>424,003</u>	<u>371,721</u>	<u>110,952</u>	<u>59,614</u>	<u>966,290</u>
Interest:					
General Obligation Bonds	14,785	7,585	0	0	22,370
No Fund Warrants	11,621	5,911	4,035	2,067	23,634
Capital Leases Payable	20,263	10,658	4,086	766	35,773
Total Interest	<u>46,669</u>	<u>24,154</u>	<u>8,121</u>	<u>2,833</u>	<u>81,777</u>
Total Principal and Interest	<u>\$ 470,672</u>	<u>395,875</u>	<u>119,073</u>	<u>62,447</u>	<u>1,048,067</u>